

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: July 27, 2021

To: Jim Marino, Village Manager

From: Dennis Bubenik, Director of Finance

Topic: Budget Amendment-Salary Account

PURPOSE:

The Village needs to transfer funds from the budget surplus to cover the additional expense of the Cost of Living Adjustments (COLA) that were agreed to during union negotiations.

PROCESS:

The 2021/2022 budget process occurred prior to the start of Village negotiations with its four collective bargaining groups. All four union collective bargaining agreements (CBAs) opened or expired in April of 2021. In previous years, union contracts were staggered. Unfortunately, the COVID-19 pandemic created some financial uncertainties, prompting the police union to select a one-year contract in 2020 expiring in 2021; and, the public works union to establish a five-year contract with two wage-only reopeners in 2021 and 2023. Normally, the union contract active during the budget process "established" the cost of living adjustment for both union and non-union staff. With all contracts open, coupled with the possible financial repercussions from the COVID-19 pandemic, the Village budgeted for a 1.5% COLA increase that was included in the 2021-2022 budget.

OUTCOME:

Two months after budget adoption, the Village was successful in negotiating a 2.0% COLA with the Fire Union and Teamsters Union. Because this COLA amount will be extended to the remaining two unions and non-union staff, a budget amendment for \$50,000 is needed. This will be sufficient to cover the COLA agreed to by the Fire Union, Teamsters Union, non-union staff, and the remaining two bargaining units that are in current negotiations.

FINANCIAL IMPACT:

Funding Source: General Fund Water/Sewer Fund

Budgeted Amount:

Cost: \$50,000

LEGAL REVIEW: Not Required

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RECOMMENDED BOARD ACTION: Approve a budget amendment increasing account number 01-1-131-51-1000 by \$50,000 for budget year 2021/2022.